



**Anna G. Eshoo**  
**14<sup>th</sup> Congressional District of California**

## **Eshoo Reports FEMA Bill Signed into Law By President**

*April 15, 2005* – Congresswoman Anna Eshoo reported today that H.R. 1134, a bill to exempt federal FEMA mitigation grants from income taxes, was signed into law by the President.

This law overturns the IRS's 2004 determination that these grants are taxable, providing tax relief to thousands of grant recipients who suddenly discovered they owed the federal government tens of thousands of dollars after they'd been led to believe the grants were tax free.

"I'm thrilled and relieved for my constituents that Congress and the Administration were able to work together to provide taxpayers with this vital tax protection prior to the tax filling deadline," Eshoo said.

According to the California Office of Emergency Services, residents of Felton, La Honda, Boulder Creek and Corralitos would have had to pay tens of thousands of dollars in back taxes. In Felton Grove, the most seriously affected area, as many as 50 families, many of whom are low-income, would have faced an unexpected tax bill that would force them to sell their property or declare bankruptcy if the legislation hadn't passed by the Congress and been signed into law by the President.

Residents who have included these grants on their 2004 tax forms taxes should file an amended return. Additional information will soon be posted at [www.irs.gov](http://www.irs.gov) a link to this website will also be available at [www.eshoo.house.gov](http://www.eshoo.house.gov).

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